



## MTQ CORPORATION LIMITED

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### FOR IMMEDIATE RELEASE

# MTQ reports 10% growth in net earnings to S\$12.0 million for FY2010

**Singapore, 30 April 2010** – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), one of the leading regional engineering specialists in the fabrication, repair and maintenance of oilfield equipment, is pleased to report a net profit attributable to shareholders of S\$12.0 million for the financial year ended 31 March 2010 (“FY2010”).

### Financial Highlights

Overall Highlights	FY2010 S\$ '000	FY2009 S\$ '000	% Change
Revenue	81,966	89,867	(9%)
Profit from operating activities	14,477	13,919	4%
Profit before taxation	14,317	13,745	4%
Net profit attributable to shareholders	12,034	10,982	10%
Basic earnings per ordinary share (cents)	13.67*	12.10**	13%

\* Based on 88.059 million shares

\*\* Based on 90.789 million shares

Note: Per share data excludes treasury shares of 7.5 million shares as at both financial year-ends.

The Group registered a 9% decrease in FY2010 revenue to S\$82.0 million, as compared to S\$89.9 million in FY2009. This is mainly due to the weaker demand for the repair, complementary fabrication and equipment rental businesses under the Oilfield Engineering division, which contributed S\$40.3 million or 49% of total revenue. The decrease was partially offset by a 17.5% growth in revenue for Engine Systems division, which resulted in S\$41.2 million of sales and accounted for 50% of the Group’s revenue.

Despite lower revenue, the Group reported a commendable growth in gross profit margin for both business segments. MTQ also recorded a S\$1.9 million gain on disposal of quoted shares (under other income), which led to a bottom line performance of S\$12.0 million, up 10% compared to prior year.

As a result of the above, basic earnings per ordinary share increased from 12.10 Singapore cents in FY2009 to 13.67 Singapore cents in FY2010, calculated based on 90.8 million shares and 88.1 million shares respectively.

MTQ continues to maintain a strong balance sheet with net cash of S\$16.9 million as at 31 March 2010, supported by healthy net operating cash flows of S\$3.9 million. Net asset value per ordinary share stood at 84.02 Singapore cents per ordinary share as at 31 March 2010 (31 March 2009: 65.29 Singapore cents).

### **Rewarding the shareholders**

The Board of Directors has recommended a tax-exempt (one tier) final dividend of 2.0 Singapore cents per ordinary share for FY2010, subject to shareholders' approval at the forthcoming Annual General Meeting in July 2010. Combined with the interim dividend of 1.0 Singapore cent paid per ordinary share, the proposed total dividend in respect of FY2010 will be 3.0 Singapore cents per ordinary share (FY2009: 3.0 Singapore cents).

### **Looking Ahead**

Commenting on the outlook, Mr Kuah Kok Kim, Chairman and CEO said,

***“As the economic conditions improve, the rise in oil prices has triggered greater level of oil and gas activities, which in turn creates good demand for our products and services under the Oilfield Engineering division. We are pleased with the progress of our Greenfield project in Bahrain, and expect the construction of the engineering facility to complete by early FY2011. In the near term, we do not expect MTQ Bahrain to contribute to the Group performance due to startup costs, but once it is fully operational, it will contribute significantly to our Group’s performance and expanded network in prominent oil-producing regions such as Southeast Asia and Middle East.*”**

***In Australia, we are also encouraged by the good performance of the Engine Systems division for FY2009. We recently extended our reach to the Northern Territory via the acquisition of business assets of Premier Fuel Injection Pty Ltd, which has proven effective in broadening our exposure beyond Australia, to as far as Indonesia and***

***Timor Leste. We will continue to explore such initiatives to capitalize on our competitive advantages in the regional market.”***

On 14 April 2010, MTQ announced the appointment of Mr Kuah Boon Wee as its new CEO with effect from 1 July 2010. Mr Kuah Boon Wee is a current Director of the Group and will bring with him vast experience and expertise from his previous senior appointments in a number of large organizations. Current Executive Chairman and CEO Mr Kuah Kok Kim will remain the Executive Chairman in providing strategic guidance to the Group.

The Group maintains a cautiously optimistic stance for its business and operations outlook for FY2011.

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**About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)**

Established in 1969, **MTQ Corporation Limited (“MTQ”)** specializes in engineering solutions for oilfield equipments, including repair, manufacture and rental operations. Well-known for its broad experience for over 30 years and commitment to service quality, MTQ is the authorized working partner for some of the world’s largest OEMs in wellhead equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. Through its wholly owned subsidiary MTQ Engine Systems (Aust) Pty Ltd, the Group is also the leading independent supplier of turbocharger and fuel injection parts and services in Australia with a nationwide network.

For more information, please log on [www.mtq.com.sg](http://www.mtq.com.sg)

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**Issued for and on behalf of MTQ Corporation Limited**

**By Financial PR Pte Ltd**

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